



The Workforce Investment Act (WIA): Program-by-Program Overview and Funding of Title I Training Programs

David H. Bradley
Analyst in Labor Economics

February 6, 2009

Congressional Research Service

7-5700

www.crs.gov

RL33687

Summary

This report tracks recent appropriations and related legislation for Title I of the Workforce Investment Act of 1998 (WIA) (P.L. 105-220). Following a brief summary of each WIA program, the report presents information on the status of continuing appropriations for FY2009 (P.L. 110-329) and the status of legislative proposals contained in the version of the American Recovery and Reinvestment Act (ARRA) passed by the House of Representatives (H.R. 1) on January 29, 2009, as well as the proposals included in the version of the ARRA ordered reported by the Senate Committee on Appropriations on January 27, 2009 (S. 336). This report also compares WIA funding for FY2007 and FY2008.

WIA provides, in general, job training and related services to unemployed and underemployed individuals. WIA programs are administered by the Department of Labor (DOL), primarily through DOL's Employment and Training Administration (ETA). State and local WIA training and employment activities are provided through a system of One-Stop Career Centers. Authorization of appropriations under WIA expired in FY2003 but is annually extended through appropriations acts. Reauthorization legislation was considered in the 108th and 109th Congresses.

WIA authorizes several job training programs: state formula grants for Adult, Youth, and Dislocated Worker Employment and Training Activities; Job Corps; and other national programs, including the Native American Program, the Migrant and Seasonal Farmworker Program, the Veterans' Workforce Investment Program, Responsible Reintegration for Young Offenders, the Prisoner Reentry Program, and Community-Based Job Training Grants (also known as the Community College Initiative). An additional national program, YouthBuild, formerly in the Department of Housing and Urban Development (HUD), was made a part of WIA on September 22, 2006, by the YouthBuild Transfer Act (P.L. 109-281).

Appropriations for WIA are made through the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act (Labor-HHS-ED). In FY2008, aggregate funding for WIA programs was \$5.268 billion, a decrease of 0.5% compared to the FY2007 funding level of \$5.297 billion. In the Consolidated Appropriations Act, 2008 (P.L. 110-161), Congress rescinded \$250 million from the unexpended balances for FY2005 and FY2006 that had been appropriated for state formula grants for the Youth, Adult, and Dislocated Worker programs authorized under Title I of WIA.

Additional funding for WIA programs would be provided through the version of the ARRA that was passed by the House of Representatives and the version currently under consideration in the Senate. Under H.R. 1, \$5.0 billion would be provided, in addition to any FY2009 appropriations, upon enactment of the ARRA for existing workforce development and related programs that are administered by DOL; S. 336 would provide an additional \$3.93 billion for these same programs.

This report will be updated as major legislative developments occur.

Contents

Most Recent Developments.....	1
Introduction	1
Program-by-Program Overview of WIA Title I	1
State Formula Grant Programs (Subtitle B)	1
Youth Activities (Chapter 4)	2
Adult Activities (Chapter 5).....	2
Dislocated Worker Activities (Chapter 5).....	2
Job Corps (Subtitle C).....	2
National Grant Programs (Subtitle D).....	3
Native Americans Program (Section 166)	3
Migrant and Seasonal Farmworker Program (Section 167).....	3
Veterans' Workforce Investment Program (Section 168).....	3
Pilot and Demonstration Programs (Section 171).....	3
YouthBuild Program (Section 173A).....	4
Recent Trends in WIA Appropriations	4
FY2007 and FY2008 Funding	4
Continuing Appropriations for FY2009	5
Proposed Funding in the American Recovery and Reinvestment Act of 2009	6

Tables

Table 1. WIA Appropriations for FY2007 and FY2008	5
Table 2. Summary of Appropriations for Workforce Investment and Related Programs Included in Title IX of H.R. 1 and Title VIII of S. 336	6

Contacts

Author Contact Information	7
Acknowledgments	7

Most Recent Developments

On January 28, 2009, the House of Representatives passed the American Recovery and Reinvestment Act of 2009 (H.R. 1)—ARRA. The Senate is currently considering similar economic stimulus legislation, S. 336, as ordered reported by the Senate Appropriations Committee on January 27, 2009. Under H.R. 1, \$5.0 billion would be provided, in addition to any FY2009 appropriations, upon enactment of the ARRA for existing workforce development and related programs that are administered by DOL; S. 336 would provide an additional \$3.93 billion for these same programs.

On September 30, 2008, President George W. Bush signed H.R. 2638, the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, into law as P.L. 110-329. Interim FY2009 appropriations for the Departments of Labor, Health and Human Services, and Education, and Related Agencies (L-HHS-ED), in “such amounts as may be necessary, at a rate for operations as provided in the applicable appropriations Acts for FY2008,” were provided through March 6, 2009 by Division A of P.L. 110-329, which is referred to as the Continuing Appropriations Resolution, 2009 (FY2009 CR).

Introduction

Title I of WIA provides job training and related services to unemployed or underemployed individuals. This report briefly summarizes each WIA program, provides a recent funding history of Title I programs, and summarizes funding for WIA programs in the ARRA.

WIA programs operate on a program year (PY) of July 1 to June 30. FY2008 appropriations fund programs from July 1, 2008, until June 30, 2009. Although WIA authorized funding through September 30, 2003, WIA programs continue to be funded through annual appropriations.

Program-by-Program Overview of WIA Title I

Except for Job Corps and the Veterans’ Workforce Investment Program, all WIA programs are administered by the Department of Labor’s (DOL) Employment and Training Administration (ETA). The administration of Job Corps and Veterans’ Workforce Investment is discussed below.

State Formula Grant Programs (Subtitle B)

The three formula grant programs for youth, adults, and dislocated workers provide funding for employment and training activities provided by the national system of One-Stop Career Centers. Statutory formulas distribute funds to states on the basis of measures of unemployment and poverty status for youth and adult allocations and unemployment measures only for dislocated worker allocations.¹ States in turn distribute funds to local workforce investment boards.

¹ For further information on the formula factors used in the state formula grant allocations, see DOL ETA, “Workforce Investment Act (WIA) and Wagner-Peyser Act Statutory Formulas for State Allotments,” available online at <http://www.doleta.gov/budget/WIAFormDesc.pdf>.

Youth Activities (Chapter 4)

This program provides training and related services to low-income youth ages 14-21 through formula grants allocated to states, which, in turn allocate funds to local entities. In FY2008, funding for state grants for youth activities was \$924 million.

Adult Activities (Chapter 5)

This program provides training and related services to individuals ages 18 and older through formula grants allocated to states, which in turn, allocate funds to local entities. Any individual may receive “core” services (e.g., job search assistance). To receive “intensive” services (e.g. individual career planning and job training), an individual must have received core services and need intensive services to become employed or to obtain or retain employment that allows for self-sufficiency. To receive training services (e.g. occupational skills training), an individual must have received intensive and need training services to become employed or to obtain or retain employment that allows for self-sufficiency. In FY2008, funding for state grants for adult activities was \$849 million.

Dislocated Worker Activities (Chapter 5)

A majority of WIA dislocated worker funds are allocated by formula grants to states (which in turn allocate funds to local entities) to provide training and related services to individuals who have lost their jobs and are unlikely to return to those jobs or similar jobs in the same industry. The remainder of the appropriation is reserved by DOL for a National Reserve account, which in part provides for National Emergency Grants² to states or local entities (as specified under Section 173).³ In FY2008, funding for state grants for dislocated worker training activities was \$1.169 billion and was \$277 million for the National Reserve.⁴

Job Corps (Subtitle C)

Job Corps is a residential job training program first established in 1964 that provides services to low-income individuals ages 16-24 primarily through contracts administered by DOL with corporations and nonprofit organizations. Currently, there are 122 Job Corps centers in 48 states, the District of Columbia, and Puerto Rico.⁵ In FY2008, funding for Job Corps was \$1.598 billion.

² Grants authorized under WIA Section 173(a)(1) are for employment and training assistance to workers affected by major economic dislocations, such as plant closures or mass layoffs.

³ WIA Sections 132(a)(2)(A) and (a)(2)(B) require that 20% of the amount appropriated for Dislocated Worker Employment and Training Activities be reserved for national emergency grants, projects, and technical assistance. The remaining 80% is to be used for state formula grants.

⁴ In FY2008, the National Reserve also included an additional \$125 million for Community-Based Job Training (CBJT) grants.

⁵ On February 8, 2007, DOL announced that three new centers will open, including the first centers in each of the remaining two states, New Hampshire and Wyoming.

National Grant Programs (Subtitle D)

WIA establishes a number of grant-based programs to provide employment and training services to special populations.⁶

Native Americans Program (Section 166)

This competitive grant program provides training and related services to low-income Indians, Eskimos, Aleuts, and Native Hawaiians through grants to Indian tribes and reservations and other Native American groups. In FY2008, funding for the Native Americans program was \$52.8 million.

Migrant and Seasonal Farmworker Program (Section 167)

This competitive grant program provides training and related services, including technical assistance, to disadvantaged migrant and seasonal farmworkers and their dependents through discretionary grants awarded to public, private, and nonprofit organizations. This program is also referred to as the National Farmworker Jobs Program and was funded in FY2008 at \$79.7 million.

Veterans' Workforce Investment Program (Section 168)

This program provides training and related services to veterans through competitive grants to states and nonprofit organizations. It has been administered by DOL's Veterans' Employment and Training Service since FY2001. In FY2008, funding for the Veterans' Workforce Investment Program was \$7.4 million.

Pilot and Demonstration Programs (Section 171)

The purpose of pilot and demonstration programs is to develop and evaluate innovative approaches to providing employment and training services. In recent years, two programs have been specified in appropriations language and funded under the authority of Section 171. Each is described below.

Reintegration of Ex-Offenders

This competitive grant program combines two previous demonstration projects, the Prisoner Reentry Initiative (PRI) and the Responsible Reintegration of Youthful Offenders (RRYO). PRI, which was first funded in FY2005, funds faith-based and community organizations that help recently released prisoners find work when they return to their communities. RRYO, first funded in FY2000, supports projects that serve young offenders and youth at risk of becoming involved in the juvenile justice system. In FY2008, the Reintegration of Ex-Offenders program combined

⁶ Several programs and activities authorized by Subtitle D are not discussed here. Youth Opportunity Grants (Section 169) were last funded in FY2003. National Emergency Grants (Section 173) draw from funds made available under Dislocated Worker Activities. WIA also authorizes technical assistance, research, and evaluation under Subtitle D.

the PRI and RRYO into a single funding stream. In FY2008, funding for this single program was \$73.5 million.

Community-Based Job Training (CBJT) Grants

This competitive grant program, also known as the Community College Initiative, funds entities to strengthen the capacity of community colleges to train workers in the skills required to succeed in high-growth, high-demand industries.⁷ CBJT grants were first funded in FY2005, with funds drawn from the Dislocated Worker National Reserve (although the President annually requests separate funding for the program). In FY2008, funding for CBJT was \$125 million.

YouthBuild Program (Section 173A)

This competitive grant program funds projects that provide education and construction skills training for disadvantaged youth. Since its inception in 1992, the program was administered by the Department of Housing and Urban Development, but was moved to DOL by the YouthBuild Transfer Act (P.L. 109-281), effective FY2007. Participating youth work primarily through mentorship and apprenticeship programs to rehabilitate and construct housing for homeless and low-income families. Funding in FY2008 for YouthBuild was \$59 million.

Recent Trends in WIA Appropriations

FY2007 and FY2008 Funding

Table 1 shows appropriations for the FY2007 and FY2008. Amounts include all WIA programs described below, plus technical assistance; pilots, demonstrations and research; and evaluation.

In FY2008, aggregate funding for WIA programs was \$5.268 billion, a decrease of 0.5% compared to the FY2007 funding level of \$5.297 billion. The three state formula grant programs - youth, adult, and dislocated worker training - comprise \$2.9 billion, or 56%, of WIA funding. Job Corps, funded at \$1.6 billion in FY2008, makes up just over 30% of WIA funding.

In the Consolidated Appropriations Act, 2008 (P.L. 110-161), Congress rescinded \$250 million from the unexpended balances for FY2005 and FY2006 that had been appropriated for state formula grants for the Youth, Adult, and Dislocated Worker programs authorized under Title I of WIA.

⁷ For further information on Community-Based Job Training Grants, see CRS Report RL33811, *The President's Demand-Driven Workforce Development Initiatives*, by Ann Lordeman and Linda Levine.

Table I. WIA Appropriations for FY2007 and FY2008
(\$ in thousands)

Program	FY2007	FY2008
WIA Grand Total	\$5,296,886	\$5,268,358
State Formula Grant Programs	2,994,510	2,942,195
Youth Activities Formula Grants	940,500	924,069
Adult Activities Formula Grants	864,199	849,101
Dislocated Worker Activities	1,471,903	1,446,189
<i>Formula Grants</i>	<i>1,189,811</i>	<i>1,169,025</i>
<i>National Reserve</i>	<i>282,092</i>	<i>277,164</i>
Job Corps	1,606,855	1,598,434
National Programs	695,521	727,729
Native Americans	53,696	52,758
Migrant and Seasonal Farmworkers	79,752	79,668
Veterans' Workforce Investment	7,435	7,351
Ex-Offender Activities	68,746	73,493
<i>Responsible Reintegration of Young Offenders (non-add)</i>	<i>49,104</i>	<i>0</i>
<i>Prisoner Reentry (non-add)</i>	<i>19,642</i>	<i>0</i>
<i>Reintegration of Ex-Offenders (non-add)</i>	<i>0</i>	<i>73,493</i>
CBJT Grants	134,199	125,000
YouthBuild	49,500	58,952
Technical Assistance	480	0
Pilots, Demonstrations and Research	14,700	48,508
Evaluation	4,921	4,835

Source: Data for FY2007 and FY2008 compiled by CRS from FY2009 DOL Budget Justification, Volume I Detailed Budget Table, available at <http://www.dol.gov/dol/budget/2009/PDF/CBJ-2009-V1-02.pdf>.

Notes: For state formula grant allocations, see <http://www.doleta.gov/budget/statfund.cfm>. Job Corps funding includes administration, operations, and construction. The amount for "National Reserve" under "Dislocated Worker Activities" is included in the total for "National Programs" and not in the total for "State Formula Grant Programs."

Continuing Appropriations for FY2009

On September 30, 2008, President George W. Bush signed H.R. 2638, the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, into law as P.L. 110-329. The Act included three of the 12 regular appropriations acts for FY2009 and continuing appropriations for the remaining nine regular appropriations acts for FY2009.

Interim FY2009 appropriations for the Departments of Labor, Health and Human Services, and Education, and Related Agencies (L-HHS-ED) were provided by Division A of P.L. 110-329, which is referred to as the Continuing Appropriations Resolution, 2009 (FY2009 CR), through March 6, 2009. The FY2009 CR appropriates “such amounts as may be necessary, at a rate for operations as provided in the applicable appropriations Acts for FY2008.”⁸

Proposed Funding in the American Recovery and Reinvestment Act of 2009

On January 28, 2009, the House of Representatives passed the American Recovery and Reinvestment Act of 2009 (H.R. 1)—ARRA. The Senate is currently considering similar economic stimulus legislation in its version of the ARRA (S. 336). Each measure focuses on promoting economic recovery, assisting those most affected by the recession, improving economic efficiency by “spurring technological advances in science and health,” investing in infrastructure, and stabilizing state and local government budgets. Under H.R. 1 and S. 336, funds would be provided to several existing workforce development programs administered by the U.S. Department of Labor (DOL), including programs authorized by the Workforce Investment Act (WIA). Under H.R. 1 as passed by the House of Representatives, an additional \$5.0 billion would be provided for existing workforce development and related programs that are administered by DOL; S. 336 would provide \$3.93 billion for these same programs.

H.R. 1 and S. 336 would provide funding for a number of existing workforce development programs, including the three state formula grant programs that provide funding for youth, adults, and dislocated workers—Title I-B of the WIA. Other programs authorized by the WIA would also receive funding: National Reserve (WIA Title I-D, Section 173), YouthBuild (WIA Title I-D, Section 173A), and Pilot and Demonstration Programs (WIA Title I-D, Section 171). Additional workforce development programs provided for include state unemployment insurance and employment service operations, Title V of the Older Americans Act of 1965, and DOL management. **Table 2** shows details of the proposed funding in H.R. 1 and S. 336.⁹

Table 2. Summary of Appropriations for Workforce Investment and Related Programs Included in Title IX of H.R. 1 and Title VIII of S. 336

(\$ in thousands)

Program	Total Appropriation (\$ in thousands) H.R. 1	Total Appropriation (\$ in thousands) S. 336
Adult Activities State Formula Grants	\$500,000	\$500,000
Youth Activities State Formula Grants	1,200,000	1,200,000
Dislocated Worker Activities State Formula Grants	1,000,000	1,000,000
National Reserve for Dislocated Workers	500,000	200,000
YouthBuild Activities	50,000	100,000

⁸ For additional information on the contents of H.R. 2638, see CRS Report RL34711, *Consolidated Appropriations Act for FY2009 (P.L. 110-329): An Overview*, by Robert Keith.

⁹ For additional information on the ARRA, CRS Report R40182, *Proposed Funding for Workforce Development in the American Recovery and Reinvestment Act (ARRA) of 2009*, by David H. Bradley and Ann Lordeman.

Program	Total Appropriation (\$ in thousands) H.R. 1	Total Appropriation (\$ in thousands) S. 336
High Growth and Emerging Industries	750,000	250,000
Office of Job Corps	300,000	160,000
Community Service Employment for Older Americans	120,000	120,000
State Unemployment Insurance and Employment Service Operations	500,000	400,000
Departmental Management Salaries and Expenses	80,000	3,000
Total	5,000,000	3,933,000

Source: Tables prepared by CRS, February 3, 2009, based on H.R. 1 as passed by the House of Representatives, January 28, 2009, available online at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1eh.txt.pdf, and on Senate Amendment 98 to H.R. 1, available online at http://appropriations.senate.gov/News/2009_02_02_The_American_Recovery_and_Reinvestment_Act_of_2009.pdf?CFID=4757598&CFTOKEN=45952041.

Author Contact Information

David H. Bradley
Analyst in Labor Economics
dbradley@crs.loc.gov, 7-7352

Acknowledgments

This report revises and updates a prior version originally written by Blake Naughton.